

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

-----X
In re:

PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO,
et al.,

(Jointly Administered)

Debtors.¹
-----X

ORDER DENYING AMBAC ASSURANCE CORPORATION'S URGENT MOTION FOR AN
ALTERNATIVE BRIEFING SCHEDULE WITH RESPECT TO THE OBJECTION OF AMBAC ASSURANCE
CORPORATION, PURSUANT TO BANKRUPTCY CODE SECTION 502 AND BANKRUPTCY RULE
3007, TO CLAIM ASSERTED BY THE OFFICIAL COMMITTEE OF RETIRED EMPLOYEES OF THE
COMMONWEALTH OF PUERTO RICO APPOINTED IN THE COMMONWEALTH'S TITLE III CASE.

The Court has received and reviewed *Ambac Assurance Corporation's Urgent Motion for an Alternative Briefing Schedule With Respect to the Objection of Ambac Assurance Corporation, Pursuant to Bankruptcy Code Section 502 and Bankruptcy Rule 3007, to Claim Asserted by the Official Committee of Retired Employees of the Commonwealth of Puerto Rico Appointed in the Commonwealth's Title III Case* (Docket Entry No. 16963, the "Scheduling Motion"), filed by Ambac Assurance Corporation ("Ambac"), the *Objection of Ambac Assurance Corporation, Pursuant to Bankruptcy Code Section 502 and Bankruptcy Rule 3007, to Claim Asserted by the Official Committee of Retired Employees of the Commonwealth of Puerto Rico*

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Rico Appointed in the Commonwealth's Title III Case (Docket Entry No. 16884, the "Claim Objection"), and the pleadings filed in connection with the Scheduling Motion.

The Court has considered the parties' arguments concerning the substantive, procedural, and timing considerations raised by the Scheduling Motion and Claim Objection, and the procedural alternatives proposed by Ambac and the other parties in their respective papers. Ultimately, the issues into which Ambac seeks to delve through the Claim Objection (namely, the methodology and result of the quantification of claims arising from pension obligations) may be relevant to confirmation determinations. (See Reply in Support of Ambac Assurance Corporation's Urgent Motion ¶ 2, Docket Entry No. 17121 (arguing that "the Court cannot discharge its obligation to determine whether the POA satisfies PROMESA's confirmation requirements, including (without limitation) the feasibility and best interest of creditors tests, without undertaking this judicial inquiry").

A litigated resolution of the Claim Objection would not necessarily directly address the issues that are of interest to Ambac, and the parties have raised practical and procedural issues whose resolution would unnecessarily increase the transaction costs of resolving the Claim Objection (if not merit dismissal of the Claim Objection entirely). Accordingly, the Scheduling Motion and the Claim Objection are denied without prejudice. The parties are directed to meet and confer to develop an appropriate schedule for litigation of the underlying issues concerning the quantification of pension-related claims in connection with the Court's adjudication of the Financial Oversight and Management Board for Puerto Rico's anticipated request to confirm the *Third Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.*, including what, if any, further discovery is appropriate. The parties must file a joint proposal or, to the extent necessary, set forth their areas of disagreement in a status report by **July 6, 2021 at 5:00 p.m. (Atlantic Standard Time)**.

This Order resolves Docket Entry Nos. 16884 and 16963.

SO ORDERED.

Dated: June 22, 2021

/s/ Laura Taylor Swain
LAURA TAYLOR SWAIN
United States District Judge